THE HONORABLE MARC L. BARRECA
Hearing Date: January 20, 2012
Hearing Time: 9:30 a.m.
Response Date: January 13, 2012
Hearing Location: Seattle
Chapter 7

THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re ADAM GROSSMAN, Debtor.	Case No. 10-19817 REPLY TO TRUSTEE RESPONSE TO MOTION FOR ABANDONMENT

COMES NOW the Debtor, Adam Grossman, by and through his attorney of record Jeffrey B. Wells, and in reply to Trustee's response to Debtor's motion for abandonment of Terrington Davies LLC states as follows.

Obviously until and unless the Keywest Financial LLC Chapter 7 bankruptcy is discharged or dismissed, the motion for abandonment is stayed as set forth in the Trustee's response. A review of that bankruptcy under cause no. 11-86137 in the Northern District of Georgia indicates that no schedules have been filed. Keywest Financial LLC has appeared pro se even though it is an LLC. Based on the condition of the filing to date, there appears a good possibility that the case may be dismissed in the very near future. Debtor respectfully requests that the present motion be continued so that if the case is dismissed the present motion can go forward.

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The Trustee has already lodged an ex parte order of default against Keywest Financial LLC, which presumably would be entered if the Keywest bankruptcy is dismissed. Continuance for this possibility also seems appropriate.

As set forth in the declaration of Adam Grossman, which accompanies this reply, investors are demanding that the fund's tax returns be completed and filed so that they can receive their K-1s. Significantly, the Trustee has rejected preparing those tax returns. See Exhibit 3, Declaration of Adam Grossman. Terrington Davies, LLC has no assets and merely the cost and liability of preparing the tax returns. The trustee has therefore taken the position that Terrington Davies LLC is an entity in which the estate has no interest. See Exhibit 3, declaration of Adam Grossman. Adam Grossman would not prepare the tax returns, he is not a tax accountant. If the motion is granted he would have the accounting firm of Peterson Sullivan prepare the tax returns.

There will be claims made against the bankruptcy estate by various investors. There is no reason for the trustee to be "highly concerned" about these investor claims. Rather, the trustee should assist this process so that customer property is returned to its rightful owner. This is the right thing to do. The claims of investors are in large part the reason for the recent stockbroker motion filed by the Debtor. Filing of the tax returns will not affect these claims. They will be filed regardless of whether the tax returns are prepared. Rather the tax returns need to be prepared in order to allow the investors to complete their 2010 tax returns. In addition, the Debtor believes it will be assistance for the court to evaluate the various investor claims with actual K-1 tax returns.

Wherefore, Debtor respectfully requests that the present motion be continued pending a resolution of the Keywest Financial LLC bankruptcy.

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Dated this 17th day of January, 2012.

/s/ Jeffrey B. Wells
Jeffrey B. Wells, WSBA #6317
Attorney for Debtor

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THE HONORABLE MARC L. BARRECA
Hearing Date: January 20, 2012
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Chapter 7
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THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re ADAM GROSSMAN, Debtor.	Case No. 10-19817 DECLARATION OF ADAM GROSSMAN IN REPLY TO TRUSTEE'S RESPONSE TO MOTION FOR ABANDONMENT

I am the Debtor herein and I have read the Trustee's Response To Debtor's Motion For Abandonment Of Terrington Davies LLC.

This Response contains many errors. I do not see a need to identify and correct all of them here except for two. First, the Trustee states that "Terrington Davies [LLC] is a defendant in adversary proceeding number 11-1954" [Page 2, Line 7]. This is not true. The referenced proceeding names 15 defendants. Terrington Davies LLC is not one of them. It is unlikely that this was a mistake because in the last Interim Report the Trustee reported that for "Terrington Davies LP [sic]" [Page 2, Item 16] (see Exhibit 4) the estimated net value determined by the Trustee less liens, exemptions, and other costs was $0 and the asset was declared "DA", intention to fully abandon under 11 U.S. C. §554(c). Second, Jeffrey Bernstein has no interest

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in Terrington Davies LLC; he resigned as managing member in 2010 [see Exhibit 1].

Customer Property Claims Have Been Long Anticipated

The Trustee "is highly concerned" [Page 3, Line 2] that investors may contend that the estate holds customer property or maintains that customer property, property belonging to other people, is part of the estate and, as a result, will make claims against the estate and "contend that the estate is liable."

This issue is not new and has been identified for a very long time. As far back as May, 2011, I submitted to this court in my amended Statement of Financial Affairs a very detailed description of losses suffered by me and other customers [see Exhibit 2]. This error was publicly made known again through a declaration submitted in state Superior Court by Joanna Strober (see Exhibit 5). Ms. Strober has very uniquely relevant qualifications to comment on parts of these proceedings: she is trained as an attorney, holds a very senior position as Managing Partner at Sterling Stamos where her job is to evaluate investment funds on behalf of clients, has personal knowledge of the transaction in which the state Superior Court erred in misclassifying customer property as estate property (community property), was an investor in the Tanager Fund for years, and has stated outright that it will likely affect her personally if losses are prorated among investors "as GAAP accounting suggests" [Declaration of Joanna Strober, Page 2, Line 16]. She specifically wrote,

> **I would like for my redemption not to be clawed back. The trial Judge's error should be corrected and the client money returned to its rightful owners but I have not yet had any standing for which to make a claim or have my interests represented. [Declaration of Joanna Strober, Page 2, Line 6]**

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Emphasis added.

so there should be no surprise that investors and customers -- other people -- who have not had any standing in state court will submit claims in federal court where they have standing.

To be as clear as possible, "I have not yet had any standing for which to make a claim or have my interests represented" almost certainly means "I will make a claim where I have standing to have my interests represented."

Fiduciary Duties And Customer Property Claims

I have a fiduciary duty to ensure that customer property is returned to its rightful owners. I respectfully request this Court to make particular note of the following points:

Apparently the Trustee “is highly concerned that the K-1’s, to the extent issued, will not be accurate” [Page 3, Line 2] even though it is my preferred practice is to use the services of the highly prestigious accounting firm Peterson Sullivan LLP. I am not an accountant so I rely upon their services and have found Peterson Sullivan LLP to have the highest level of integrity. Their reputation is well known.

I would have preferred that investor claims accurately reflect the actual tax returns and financial statements which is why I have for months requested the Trustee make some arrangements -- any arrangements -- for this. Because the Trustee and Trustee's attorney have resisted doing so [see Exhibit 3], I have submitted this motion for abandonment. Now, the claims will have to guess at the actual amounts likely to be reflected in future tax returns and K-1's yet to be prepared.

Customer property should be returned to its rightful owners. This is not only a high priority in Bankruptcy Code but it is the right thing to do. It is a very reasonable request that

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customers want their property returned and it should be fully expected that customers will make such requests. Returning other people's property to them should be a goal, not a cause of concern.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct to the best of my knowledge.

Dated this 17th day of January, 2012. Signed in Seattle, WA.

__*/s/ Adam Grossman*_____
Adam R. Grossman

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Exhibit 1

JEFFREY R. BERNSTEIN
1916 2ND AVE. N
SEATTLE, WA 98109-2505
206-588-0343

December 18, 2010

Adam Grossman
5766 27th Ave. N
Seattle, WA 98105

Dear Adam:

Having notified you in early November of my desire to resign from Terrington Davies LLC, I hereby, pursuant to section 12 of our Principals' Agreement, "quit Terrington Davies and free [my]self of all responsibilities under [the Principals' Agreement]," effective immediately.

According to our agreement, the rights/responsibilities that accrue/devolve to me are as follows: At your discretion I will perform all work necessary to dissolve Terrington Davies or I will turn over to you any Terrington Davies material you want in order to continue the work of Terrington Davies. If you elect to designate a person to take on the responsibilities I have had, I will teach that person how to perform those responsibilities.

Unless and until I hear from you I will assume you will take care of all the responsibilities previously assigned to me.

Terrington Davies has three vendors who I have been responsible for. The account with the UPS Store in Greenville, DE is paid up through February 20, 2011. The UPS store requires us to maintain an account with them to cover the cost of forwarding our mail. The balance of that account presently is $5.91. I have directed them to forward all mail to you. Their email address is store1391@theupsstore.com.

The second vendor is Agents and Corporations, Inc. who we pay to serve as our registered agent in Delaware. We are paid up with them through the end of 2011. Their email address is agents@incnow.com.

The third vendor is Peterson Sullivan. We owe them $5705. It is my understanding you are handling this matter. As I am liable for amounts owed to Peterson Sullivan for work they did prior to my resignation, I would appreciate it if you would keep me apprised of how you are dealing with their bill. I am prepared to contribute my share, 1/3 of the amount owed.

Very truly yours,

Jeff Bernstein

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Exhibit 2

Grossman, Adam Ch. 7 Bankruptcy — Case No. 10-19817-MLB

2nd AMENDED Statement of Financial Affairs
Attachment To Question No. 8

Date of Loss: 12/14/2010

Description of Circumstances:

During divorce proceedings in 2010, Debtor's ex-wife submitted claims in King County Superior Court that $255,000 disbursed from the Terrington Davies Tanager Fund Limited Partnership by the general partner on May 20, 2010, was community property money while the Debtor who was the Director of Trading for the then-general partner testified that the funds belonged to other investors. An order of the Washington State Superior Court made a finding of fact that a distribution of funds out of the Limited Partnership belonging to other people totaling $255,000 was community property belonging to the Debtor and the Debtor's wife.

Loss #1: Ex-wife was credited $255,000 of community assets to balance incorrectly alleged distribution of non-existent community assets from limited partnership that were the property of other investors prior to the finding of the Superior Court. Loss: $125,000 of actual community property that would have otherwise been divided.

Loss #2: Debtor was credited with $255,000 of incorrectly classified non-existent community assets that were the property of other investors prior to the finding of the Superior Court. Loss: $255,000.

Loss #3: As Debtor is probably the only person among any of the associated parties (other than costly accountants) who has the knowledge to prepare P/L statements of many thousands of cash-settled index option trades, Debtor made an offer, which was accepted, to prepare one single report of the preliminary financial statements for the Terrington Davies Tanager Fund LP, gratis. Debtors pre-preparation represents approximately 80% of the total work required that has traditionally then been completed by Peterson and Sullivan LLP to finalize the financial statements but the new general partner may use other accountants. Financial statements are a necessary prerequisite to preparing K-1 tax forms for limited partners and this has typically been done in the summer.

To reflect the ruling of the Superior Court that the funds distributed in May, 2010, from the Limited Partnership belonged to the community and not the other investors, entries to the general ledger must account for the change of "fact" and the Debtor has participated in limited discussions with Peterson and Sullivan. However, the adjusting account entries necessary to be consistent with the ruling of the Superior Court will ultimately be the judgment of the new general partner likely in consultation with accountants and lawyers of their choice. While the decision of the new general partner is speculative, the accountants at Peterson and Sullivan suggest the most accurate -- and possibly only -- corrective entry to account for the distribution of community property in the amount of $255,000 when no (material) amount of community or separate property existed in the partnership at the time of the distribution is: credit cash account $255,000, debit accounts receivable from Jill Borodin and Adam Grossman community property. Likewise, the corrective entries for funds deposited from Peter Zieve and Lyman Opie which can be inferred that the Superior Court found were not used to fund the May 20, 2010, purchase are: debit cash $120,000, credit accounts payable Peter Zieve $120,000; and debit cash $135,000, and credit accounts payable Lyman Opie $135,000. Thus, before closing the Fund, the remaining non-zero capital accounts may be,

Account	Amount
Debtor/ex-wife Community A/R	$255,000
Peter Zieve A/P	-$120,000
Lyman Opie A/P	-$135,000

and these three balance sheet accounts would need to be zeroed out whether by agreement or through litigation prior to closing the business. Loss: $100,000 (guess).[1]

#4: Cost of Litigation. Highly variable. Loss: $100,000 (guess).[2]

Value of Loss:

$125,000 (Loss #1)
$255,000 (Loss #2)
$100,000 (Loss #3)[1]
$100,000 (Loss #4)[2]
========
$580,000 Total[3]

---

[1] Placing a valuation on the loss to the Debtor cannot be done accurately depending on how the community A/R is treated and ruled upon based on the Divorce Decree. If Debtor's Chapter 7 proceedings are completed, there will likely be no effect on debtor. If Debtor's motion to convert to Chapter 13 under a 100% Repayment Plan is granted the losses could vary from $0 to $255,000 depending on the interpretation of community A/R created by the Superior Court ruling.

[2] The cost either to correct the error made by the Superior Court or to enforce the collection of an account receivable that is created by the Superior Court's error will not be insignificant. Since attorney's fees are awarded -- nearly universally and in full -- to the prevailing party, this range of cost could vary widely.

[3] Variation as noted.

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Exhibit 3

ADAM R. GROSSMAN, REQUEST TO PRODUCE DOCUMENTS JULY 26, 2011 12:30PM

29. All documents relating to Keywest Financial, LLC, or the members of that entity, in any way.

See Question 28.

"Relating to Keywest Financial LLC": I don't have and haven't had many documents relating to them. Any questions we have (they want to know something about an account or entity, I want to ask them to file a reconveyance) are generally relayed through an intermediary, usually Pete O'Connell. I have checked on the Georgia Secretary of State web site that they exist are in good standing with the Georgia equivalent of Registered Agent. I have not kept any of the documents which may have been temporarily downloaded to my computer. Per Instruction 14, (a) Georgia Secretary of State, (b) Atlanta, (c) the windows temp directory on my computer, (d) not saved.

Besides this, based on the consensus of advice I have received, I try not to have contact with them. Our transition went pretty well with sign-offs, passwords, logins, resignations and appointments, etc. That lasted for about a month. I was in California for almost two weeks from mid-December to around January 1 and we met for about two days to make lists of where the mailboxes were, I have more recently been on one or two conference calls with Jason White and Peterson and Sullivan for the purpose of discussing the handling of the K-1's.

I contacted Ron Brown twice by telephone during the period in which we could reverse the contract and he stated he did not wish to discuss my case with me. I sent him one letter requesting to clarify some property issue questions I had and received no response.

I do not know who the members are except for Jason White who had documentation to show me that was a managing member of the LLC and President and authorized to sign contacts on its behalf. Irene Miller seems to work there but I'm not sure. Pete O'Connell does not seem to work there but is friendly with them. Ms. Mauwes has introduced into court records correspondence she has received and asked me whether I knew about someone (I can't remember their name... Kimberly, Stephanie) and I did not know of the name except through her submission which I read either prior to or after being asked.

"or the members of that entity"

No documents attached. None possessed.

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Date: Wed, 21 Sep 2011 23:58:19 -0700 (PDT)
From: Adam R. Grossman <arg@AdamReedGrossman.com>
Reply-To: Adam R. Grossman <adamreedgrossman@yahoo.com>
To: Denice Moewes <Dmoewes@aol.com>

Dear Ms. Moewes,

...

On a different matter since you have requested I provide you with information, I would like to raise your attention to the lack of issuance of 2010 K-1's to investors. Nobody knows what to do or who should do it but they need to go out. I believed Keywest was going to do it but they appear to have the same policy expressed in the letter you submitted from them in the spring... not much willingness to throw good money after bad. My understanding from the Chapter 7 Trustee's Handbook is that I am not allowed to operate any of the businesses that are in the estate: "only the trustee and not the debtor may be authorized to operate the debtor's business." Any thoughts would be appreciated.

...

Subject: The court approved the withdrawal...
Date: Thu, 03 Nov 2011 09:59:53 -0700
From: Adam R. Grossman <arg@AdamReedGrossman.com>
To: Dmoewes@aol.com

Ms. Moewes,

...

A few timely issues:

...

3. Issue K-1's for Tanager Fund. I can do this -- other people can be hired but it will cost $12K of accountants if we're lucky and I do it for free and probably $35K+ for someone starting from nothing. I would like to buy back TD LLC and do the K-1's. I don't know what is possible about working on this or owning this company and how those relate. It probably has less than $1,000 in the Schwab account (not a bank account) and owes $5K from last year so this is a negative $17K-$18K entity.

Subject: Re: GP
Date: Mon, 7 Nov 2011 14:11:07 -0500 (EST)
From: Dmoewes@aol.com
To: arg@AdamReedGrossman.com
CC: ewood1@aol.com

Adam:

...

The estate is clearly not going to pay to do K-1's for an entity in which it has no interest.

...

Denice Moewes
Wood & Jones, P.S.
303 N. 67th Street
Seattle, WA 98103
206-623-4382

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UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON

In Re:	)	
GROSSMAN, ADAM R	)	10-19817 -SJS
EIN: 35-6903950	)	Chapter 7
	)	
	)	
Debtor(s).	)	

TRUSTEE INTERIM REPORT

The Trustee, hereby files his Individual Estate Property Record and Report (Form 1) for the twelve month reporting period ending 06/30/2011. This report is intended to provide parties in interest with a general accounting of the Trustee's case administration.

Column 1: Asset Description (Scheduled and Unscheduled Property): This is a listing of all the Debtor's interest in assets from the petition, schedules, and statement of financial affairs. Also listed are unscheduled assets discovered by the Trustee, income of the estate (including post-petition interest on bank accounts), and claims which the estate may possess.

Column 2: Petition/Unscheduled Values: Column 2 reflects the dollar value of each asset, as first assigned by Debtor in the filed Schedules, or by the Trustee's initial estimate of values in the case of unscheduled assets. Scheduled values are often unreliable and may change significantly throughout the course of Trustee's investigation and administration.

Column 3: Estimated Net Value(Value Determined by Trustee Less Liens, Exemptions and Other Costs: Column 3 reflects the value of each asset as determined by the Trustee minus any appropriate adjustment. This value represents the Trustee's best initial estimate of **net** sale or liquidation value of the asset. Actual liquidation value may differ as a result of market conditions at the time of sale, costs of recovery, storage, insurance and sale.

Column 4: Property Abandoned: If this column is blank it means either that (1) Trustee intends to administer the asset, (2) Trustee has not decided, or (3) Trustee has already liquidated the asset. An entry of "OA" indicates the property has or will be formally abandoned under 11 U.S.C. 554 (a). An entry of "DA" indicates that the property will be abandoned at closing of the case under 11 U.S.C. 554 (c).

Column 5: Sales/Funds Received by the Estate: Column 5 indicates the **gross** amount of proceeds received from the liquidation of each asset regardless of amounts paid out to secured creditors or for expenses.

Column 6: Asset Fully Administered/Gross Value of Remaining Assets: When an asset has been fully administered either by liquidation, formal abandonment, or the Trustee has reached a decision to abandon at closing of the estate, the entry "FA" will be listed in Column 6. For assets still being administered, column 6 reflects the Trustee's current best estimate of the **gross** value. Actual liquidation value may differ as a result of market conditions at the time of sale. Note: The difference between Columns 3 and 5 does not necessarily equal the figure in Column 6.

Other Information: Note that the Trustee has provided information about matters pending in the case and projected date for filing the Trustee's Final Report (TFR).

Dated: July 29, 2011

Respectfully Submitted,

/s/ Ronald G. Brown - Chapter 7 Trustee

Ronald G. Brown - Chapter 7 Trustee, #8816, Chapter 7 Trustee
999 Third Avenue, Suite 2525
Seattle, WA 98104
206-342-7850

++

INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES

Case No: 10-19817 SJS Judge: Samuel J. Steiner
Case Name: GROSSMAN, ADAM R

For Period Ending: 06/30/11

Trustee Name: Ronald G. Brown - Chapter 7 Trustee
Date Filed (f) or Converted (c): 03/11/11 (c)
341(a) Meeting Date: 04/14/11
Claims Bar Date:

1	2	3	4	5	6
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) Abandon DA=554(c) Abandon	Sale/Funds Received by the Estate	Asset Fully Administered (FA)/ Gross Value of Remaining Assets
1. Garnished Funds (u)	1,370.76	1,370.76		1,370.76	FA
2. 6821 39th Avenue NE, Seattle	605,000.00	0.00	DA	0.00	FA
Determined to be spouse's property per state court Decree of Dissolution 12/14/10					
3. 1679 Strauss Lane, Redding, CA	190,000.00	6,242.00		0.00	6,242.00
Street name misspelled on schedules; secured debt sum amended; property value and secured debt amended on second amendment; asset under investigation					
4. 773 Metro Way, Redding, CA	190,000.00	35,000.00		0.00	35,000.00
Debtor amended property value and secured debt sum; post-filing secured debt under investigation by trustee; asset under investigation					
5. 20710 Glennview Drive, Cottonwood, CA	259,000.00	65,000.00		0.00	65,000.00
Secured debt sum amended; debtor amended secured debt sum on second amendment; post-filing secured debt under investigation by trustee; asset under investigation					
6. Cash	500.00	0.00	DA	0.00	FA
7. Chase Checking (7600)	0.00	0.00	DA	0.00	FA
8. Wells Fargo Checking (9501)	0.00	0.00	DA	0.00	FA
9. HOUSEHOLD GOODS	3,000.00	0.00	DA	0.00	FA
10. BOOKS/COLLECTIBLES	1,000.00	0.00	DA	0.00	FA
11. WEARING APPAREL	1,000.00	0.00	DA	0.00	FA
12. Revolver	250.00	0.00	DA	0.00	FA
13. Electronic Items	900.00	0.00	DA	0.00	FA
14. 403B	210,000.00	0.00	DA	0.00	FA
15. STOCK INTERESTS	0.00	0.00	DA	0.00	FA
Original schedules referred to attachment; no attachment; interests listed					

INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES

Case No: 10-19817 SJS Judge: Samuel J. Steiner
Case Name: GROSSMAN, ADAM R

Trustee Name: Ronald G. Brown - Chapter 7 Trustee
Date Filed (f) or Converted (c): 03/11/11 (c)
341(a) Meeting Date: 04/14/11
Claims Bar Date:

1	2	3	4	5	6
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) Abandon DA=554(c) Abandon	Sale/Funds Received by the Estate	Asset Fully Administered (FA)/ Gross Value of Remaining Assets
on amendment					
16. Terrington Davies LP	500.00	0.00	DA	0.00	FA
Negative entry of $15,000 on original schedules; debtor valued interest on amended schedules					
17. Trust Property 868 Montcrest Drive, Redding, CA	190,000.00	0.00	DA	0.00	FA
Property value revised on amended schedules; determined to be spouse's property per state court Decree of Dissolution 12/14/10					
18. 2005 Chevrolet Malibu	3,925.00	625.00		0.00	625.00
19. OFFICE EQUIPMENT	2,500.00	0.00	DA	0.00	FA
20. Rent (1679 Strauss Lane, Redding, CA)	1,641.70	0.00		1,641.70	0.00
21. Rent (772 Metro Way, Redding, CA)	3,225.00	0.00		3,225.00	0.00
INT. Post-Petition Interest Deposits (u)	Unknown	N/A		0.17	Unknown

					Gross Value of Remaining Assets
TOTALS (Excluding Unknown Values)	$1,663,812.46	$108,237.76		$6,237.63	$106,867.00
					(Total Dollar Amount in Column 6)

Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

Transfers of property and other matters under investigation regarding debtor's financial circumstances, fee applications; claims administration; trustee reserves right to amend determination on administarton of assets as investigation continues

Initial Projected Date of Final Report (TFR): 09/01/12 Current Projected Date of Final Report (TFR): 09/01/12

FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 10-19817 -SJS
Case Name: GROSSMAN, ADAM R

Taxpayer ID No: *******3950
For Period Ending: 06/30/11

Trustee Name: Ronald G. Brown - Chapter 7 Trustee
Bank Name: BANK OF AMERICA, N.A.
Account Number / CD #: *******4032 Money Market Account

Blanket Bond (per case limit): $ 82,344,543.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits ($)	Disbursements ($)	Account / CD Balance ($)
			BALANCE FORWARD				0.00
03/11/11	1	LAW OFFICES OF MICHAEL W. BUGNI 11300 Roosevelt Way NE, Suite 300 Seattle, WA 98125	Garnishment Funds	1290-000	1,370.76		1,370.76
03/16/11	20	ACE PROPERTY MANAGEMENT P.O. BOX 993115 REDDING, CA 96099-3115	Rent	1122-000	1,641.70		3,012.46
03/16/11	21	ACE PROPERTY MANAGEMENT P.O. BOX 993115 REDDING, CA 96099-3115	Rent	1122-000	3,225.00		6,237.46
03/31/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.02		6,237.48
04/29/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.05		6,237.53
05/31/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.05		6,237.58
06/30/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.05		6,237.63

Page Subtotals	6,237.63	0.00

Ver: 16.02b

LFORM24

FORM 2

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No:	10-19817 -SJS	Trustee Name:	Ronald G. Brown - Chapter 7 Trustee
Case Name:	GROSSMAN, ADAM R	Bank Name:	BANK OF AMERICA, N.A.
		Account Number / CD #:	*******4032 Money Market Account
Taxpayer ID No:	*******3950		
For Period Ending:	06/30/11	Blanket Bond (per case limit):	$ 82,344,543.00
		Separate Bond (if applicable):	

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits ($)	6 Disbursements ($)	7 Account / CD Balance ($)
			COLUMN TOTALS		6,237.63	0.00	6,237.63
			Less: Bank Transfers/CD's		0.00	0.00	
			Subtotal		6,237.63	0.00	
			Less: Payments to Debtors			0.00	
			Net		6,237.63	0.00	

TOTAL - ALL ACCOUNTS	NET DEPOSITS	NET DISBURSEMENTS	ACCOUNT BALANCE
Money Market Account - ********4032	6,237.63	0.00	6,237.63
	------------------------	------------------------	------------------------
	6,237.63	0.00	6,237.63
	==============	==============	==============
	(Excludes Account Transfers)	(Excludes Payments To Debtors)	Total Funds On Hand

	Deposits	Disbursements
Page Subtotals	0.00	0.00

Ver: 16.02b

LFORM24

Attachment to Trustee Report

Trustee reports are prepared according to guidelines of the Office of U.S. Trustee. The Trustee is unable to verify asset/debt information obtained from debtor's schedules. Projected date of Final Report is estimate only and is subject to change as Trustee's administration continues. Due to limitations by which report is prepared, court filed should be consulted for more information.

IN THE SUPERIOR COURT OF WASHINGTON
IN AND FOR KING COUNTY

In re the Marriage of: JILL IRINA BORODIN, Petitioner, and ADAM REED GROSSMAN, Respondent.	)))))))))	NO. 09-3-02955-9 SEA **DECLARATION JOANNA STROBER**

I, Joanna Strober, declare as follows:

My name is Joanna Strober. I live in California. I am over the age of 18.

I am in a unique position to be able to make this declaration because:

1) I was trained as an attorney and I currently work Sterling Stamos Investment Management in the role of Managing Partner and I have extensive knowledge of Fund operations and accounting

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2) I have personal knowledge of the financing of the Glennview purchase post-separation.

I was disheartened to learn that the trial Judge ruled the $255,000 of purchase money was community property when I was personally involved with the financing and participated in conference calls that discussed the financing in detail which was always based upon 100% new debt post separation and not community property.

3) I was an investor in the Tanager Fund for many years and redeemed my units in full near the closing of the Fund. As a result of the misclassification of other people's money as Ms. Borodin's money, assets belonging to clients or their equivalent have been involuntarily transferred to Ms. Borodin.

This may affect me if the losses are pro-rated across all investors, as GAAP accounting suggests, and part of my redemption is clawed back due to the misclassification of client assets in a legal action to which I was not party and had no standing.

I have not received my K-1 for 2010. I understand this is due for at least two reasons. First, there is a dispute over the responsibility of the issuance of the K-1's . Second, a preference not to report a loss due to misclassified money balanced by an expected future gain of the recovered money as the

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classification of a distribution in a family law matter is not necessarily binding on the accounting of a Delaware partnership which by GAAP standards will show an illiquid asset, a $255,000 account receivable (A/R) from the community loan expected to be repaid.

I would like for my redemption not to be clawed back. The trial Judge's error should be corrected and the client money returned to its rightful owners but I have not yet had any standing for which to make a claim or have my interests represented since a sequence of events will unfold slowly.

I am optimistic that these monies will be returned to their rightful owners soon now that the issue has been identified.

I am surprised to see that the court has made a finding of contempt because in California, contempt requires willful disregard of court orders. I checked RCW 7.21.030 ("within the person's power to perform") and this requirement is the same. The text in the ruling states that Mr. Grossman sought enrollment in all three programs but was not accepted thus failing to meet the standards generally used to determine contempt.

The court confirms Mr. Grossman's right to appeal that disqualifies him from entry into the Wellspring program. This makes it irrelevant whether additional factors later arose which also, after being denied entry based on exercising his right to appeal, would disqualify from entry. His filing of an appeal predated any finding of the court to

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be out of compliance thus making it irrelevant whether these findings were made because he was already disqualified. This likewise fails to meet the requirement that it was "yet within the person's power to perform" because Mr. Grossman was not admitted to Wellspring's program.

Property transfers are generally recorded and I have looked online at the Shasta County Recorders office (http://www.co.shasta.ca.us/riimspublic/asp/orpublicinquiry.asp) and can see that Mr. Grossman was last on the title in January 2011 when he deeded the property to Ms. Borodin (attached). It is unclear to me how he can now be held in contempt for the sale of this property as he deeded it to Ms. Borodin.

The court noted that Mr. Grossman's child support payments, due on the 1st, have been late including May when May 1st was a Sunday and the DCS report showed payment in full was made on May 2nd. I do not believe DCS offices are opened on Sundays and neither can a payment be credited in advance of the month in which it is paid. This likewise seems to not meet the RCW 7.21.030 ("within the person's power to perform") standard for contempt

I declare under penalty of perjury under the laws of the State of California that the foregoing statements are true and correct to the best of my knowledge.

JOANNA STROBER
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Dated this 15th day of October, 2011, in Los Altos, Hills CA

Joanna Strober

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Official Records Database Document Detail

Shasta County Recorder's Office

Searchable Indices:
Official Records

Document Detail

Document ID:	2011-0000736	**Assessor Parcel #:**	Please Contact Assessor's Office
Recorded on:	1/7/2011 1:40:26 PM	**Book Page #:**	117-460-074
No. of Pages:	1	**Image:**	Documents can only be viewed in Records Office, Internet access is not available.

DEED

Grantors:
GROSSMAN, ADAM R

Grantees:
BORODIN, JILL I

Index Items:
None

References:
None